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FM AMEMBASSY MOSCOW  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1614  
INFO RUEHDX/MOSCOW POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L MOSCOW 003114

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E.O. 12958: DECL: 06/26/2017  
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SUBJECT: SIX PARTY TALKS: GOR URGES MEASURED PACE ON NEXT STEPS

Classified By: Political M/C Alice G. Wells. Reasons 1,4 (B/D).

[¶1.](#) (U) The GOR publicly claimed credit for facilitating Monday's transfer of frozen DPRK funds to the North Korean Foreign Trade Bank's account in a Russian bank. Calling it a positive step toward the resumption of the Six-Party process, a short MFA statement said that Russia decided to accommodate a U.S. government request for transfer of the money to a Russian commercial bank in exchange for "legally binding" guarantees from the U.S. that "this transaction will not entail negative implications either for Russia or for the bank."

[¶2.](#) (C) Moscow expects that the Six-Party Talks can now address practical steps aimed at the implementation of the February 13, 2007 understandings, but urges a measured approach. Maksim Volkov of the MFA Korea Desk told us that the transfer had created "good conditions" for further work, but said the GOR would advise against a hasty resumption of the talks until there were "concrete" questions to be discussed among the participating countries. Volkov emphasized that the most important task at this point was to realize the first obligations stipulated in the February 13 agreements. Although the GOR was flexible about dates for the next round of talks, Volkov considered that much would depend on the work of the IAEA team which arrived in Pyongyang on Tuesday.

[¶3.](#) (C) Moscow's Korea experts also welcomed the U.S.'s demonstration of "flexibility" and "readiness to engage." Former Russian Ambassador to South Korea, Georgiy Kunadze maintained that the U.S. had the ultimate leverage -- normalization of the relationship -- which no other participating country had and that the U.S. should treat North Korea as a negotiating partner on an equal footing. Aleksandr Zhebin, a scholar of the Far Eastern Institute, argued that engagement with Pyongyang would work where sanctions had failed. Anton Khlopov, Deputy Director of the PIR Center, which focuses on nonproliferation issues, took a slightly different tack. He said that unblocking the impasse was a welcome move but the process should adhere to the agreed "action for action" steps, with the burden on the North to fulfill specified obligations before further engagement from other five countries.  
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